

July 2, 2001

Commissioner Edward Hurley
Chair, Telecommunications Policy Committee
Illinois Commerce Commission

RE: Ameritech Illinois Section 271 Review Process

Dear Commissioner Hurley:

In August 1996, the Illinois Commerce Commission (“the Commission”) initiated an investigation into Ameritech Illinois’ compliance with Section 271(c) of the federal Telecommunications Act of 1996 (Docket 96-0404). The purpose of that investigation was to enable the Commission to fulfill its consulting role with the Federal Communications Commission (“FCC”) under Section 271(d)(2)(B) of the federal Telecommunications Act of 1996. The Hearing Examiner’s Proposed Order in Docket 96-0404, dated August 4, 1997, found that Ameritech Illinois satisfied 10 of the 14 checklist items. Because Ameritech did not file an application with the FCC, the Commission never issued a recommendation to the FCC, and Docket 96-0404 was subsequently closed. Much has happened since then.

Ameritech Illinois has committed considerable resources and expended tremendous efforts to implement all of the requirements necessary for Section 271 approval by the FCC. For example, as described in a letter sent by Mr. James Shelley to the Commission on February 9, 2001, significant Section 271 related activities took place during the year 2000 involving the Commission Staff, interested parties and Ameritech Illinois. As a result, numerous OSS enhancements, process improvements and product introductions have been implemented. An OSS test plan for independent third-party evaluation of Ameritech Illinois’s OSS was also developed through collaborative sessions. KPMG Consulting was selected to conduct the test, and military-style testing is now underway. In addition, a comprehensive set of performance measurements was implemented by Ameritech Illinois. Finally, a comprehensive remedy plan, based on remedy plans approved by the FCC in past Section 271 orders, is currently under review by the Commission.

Accordingly, it is Ameritech Illinois’ plan to file a Section 271 application with the FCC in 2002. Ameritech Illinois is committed to a successful Section 271 application. Therefore, we believe the time is ripe to restart the Section 271 review process in Illinois. To that end, Ameritech Illinois proposes the following “two phase” informational filing approach to provide the Commission and interested parties with sufficient time and opportunity to evaluate

Ameritech Illinois' compliance with "Track A" and the competitive checklist requirements in Section 271(c) of the 1996 Telecommunications Act.

"TWO PHASE" CHECKLIST INFORMATIONAL FILINGS

Ameritech Illinois will file a Petition with the Commission this month proposing a two-phase checklist proceeding. The purpose of this proceeding will be to demonstrate that Ameritech Illinois is in full compliance with Section 271(c). Subject to the procedural schedule adopted for this proceeding, Ameritech Illinois proposes to file a draft of its proposed Section 271 application and supporting draft affidavits. These documents will be in substantially the same form that Ameritech Illinois intends to subsequently file at the FCC next year. The initial filing will demonstrate that Ameritech Illinois satisfies Section 271(c)(1)(A) ("Track A") and is in compliance with all competitive checklist requirements in Section 271(c)(2)(B), subject to satisfactory completion of third party OSS testing and performance results.

The Commission's final evaluation regarding Ameritech Illinois' checklist compliance, and ultimately its recommendations to the FCC, will necessarily be subject to completion of OSS testing and provision of acceptable performance data. Therefore, Ameritech Illinois plans to make a second filing once KPMG issues its final test report. KPMG currently plans to complete the OSS testing in Illinois and issue a report to the Commission in March 2002. However, OSS tests will be completed in other Ameritech states this year. Consequently, Ameritech Illinois is working to coordinate these tests and achieve an earlier completion date for Illinois. Shortly after the results of the test are available, they will be filed with the Commission along with three months of performance results. Together these checklist information filings will provide the Commission and interested parties a comprehensive record demonstrating full compliance with the requirements of Section 271(c).

This "two phase" filing approach is consistent with the procedural approach adopted in other Ameritech states and is a rational and common sense approach to address these complex issues. Moreover, this approach enables a better allocation of resources, sufficiently in advance of Ameritech Illinois' Section 271 application at the FCC, to allow an opportunity for meaningful review and analysis by the Commission, Staff and interested parties in Illinois.

RECOMMENDED PROCEDURE FOR FURTHER PROCEEDINGS

Upon receipt of the Petition later this month, Ameritech recommends that the Commission open a docket and promptly establish a procedural schedule. Ameritech suggests that interested parties be invited to respond to Ameritech's supporting documentation once it is filed. Ameritech will propose a filing schedule in that docket.

After responses are filed, and consistent with the phased approach recommended for this proceeding, Ameritech Illinois requests that the Commission issue a written evaluation assessing Ameritech Illinois' compliance with Track A and each competitive checklist requirement. Ameritech Illinois of course understands that any Commission evaluation of its checklist compliance would be subject to the completion of the second phase of the proceeding. Nonetheless, a prompt written evaluation of each checklist requirement, subject to conclusion of OSS testing and provision of performance results, will allow the parties to focus their attention

on any items for which additional information or work may be required to demonstrate full compliance to the Commission's satisfaction.

With these two checklist informational filings, and any further information required by the Commission in response to these filings or to comply with future Commission orders in related pending dockets, the Commission will be fully prepared to fulfill its obligations to consult with the FCC when Ameritech Illinois makes its Section 271 filing at the FCC next year.

CONCLUSION

Ameritech Illinois believes this procedural proposal is reasonable, builds on the work the Commission and the parties have already done, and allows all interested parties an opportunity to be heard on these issues. I look forward to working with you, the other Commissioners, the Staff and the parties on this important matter.

Very truly yours,

Carrie J. Hightman
President,
Ameritech Illinois

cc: Chairman Richard Mathias
Commissioner Ruth Kretschmer
Commissioner Terry Harvill
Commissioner Mary Frances Squires
Scott Wiseman